

103^D CONGRESS
1ST SESSION

H. R. 2406

To provide the Internal Revenue Service with increased authority and resources to be used in reducing evasion of the diesel fuel taxes and other tax evasion.

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 1993

Mr. ISTOOK (for himself, Mr. GRANDY, Mr. BARLOW, Mr. LIGHTFOOT, Mr. WOLF, Mr. WILSON, Mr. GREENWOOD, Mr. MCDADE, Mr. INHOFE, Mr. MICHEL, Mr. PACKARD, and Mr. BATEMAN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide the Internal Revenue Service with increased authority and resources to be used in reducing evasion of the diesel fuel taxes and other tax evasion.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Diesel Fuel Tax En-
5 forcement Act of 1993”.

1 **SEC. 2. SENSE OF THE CONGRESS AS TO INCREASED IN-**
2 **TERNAL REVENUE SERVICE FUNDING FOR**
3 **CRIMINAL INVESTIGATIONS AND OTHER EN-**
4 **FORCEMENT ACTIVITIES.**

5 (a) FINDINGS.—The Congress hereby finds that—

6 (1) there has been substantial evasion of the
7 Federal excise taxes on diesel fuel,

8 (2) there is evidence that organized crime has
9 become involved in such evasion,

10 (3) that such evasion undercuts the many small
11 and medium size businesses who comply with the
12 diesel fuel taxes, and

13 (4) providing the Internal Revenue Service with
14 additional funding for its criminal investigation and
15 other enforcement activities would—

16 (A) enable the Internal Revenue Service to
17 be more effective in its effort to reduce orga-
18 nized crime's involvement in tax evasion and
19 other criminal activities such as money launder-
20 ing, and

21 (B) result in increased revenues.

22 (b) SENSE OF CONGRESS.—It is the sense of the
23 Congress that outlays for Internal Revenue Service crimi-
24 nal investigation and other enforcement activities should
25 be increased and such increase shall be funded with offset-
26 ting spending reductions in other program areas.

1 **SEC. 3. PERMANENT EXTENSION OF AUTHORITY FOR UN-**
2 **DERCOVER OPERATIONS.**

3 (a) PERMANENT EXTENSION.—Notwithstanding the
4 provisions of paragraph (3) of section 7601(c) of the Anti-
5 Drug Abuse Act of 1988, the amendments made by such
6 section 7601(c) shall apply to all periods after the date
7 of the enactment of this Act.

8 (b) ENHANCED OVERSIGHT.—

9 (1) ADDITIONAL INFORMATION REQUIRED IN
10 REPORTS TO CONGRESS.—Subparagraph (B) of sec-
11 tion 7608(c)(4) of the Internal Revenue Code of
12 1986 is amended—

13 (A) by striking “preceding the period” in
14 clause (ii),

15 (B) by striking “and” at the end of clause
16 (ii), and

17 (C) by striking clause (iii) and inserting
18 the following:

19 “(iii) the number, by programs, of un-
20 dercover investigative operations closed in
21 the 1-year period for which such report is
22 submitted, and

23 “(iv) the following information with
24 respect to each undercover investigative op-
25 eration pending as of the end of the 1-year

1 period for which such report is submitted
2 or closed during such 1-year period—

3 “(I) the date the operation began
4 and the date of the certification re-
5 ferred to in the last sentence of para-
6 graph (1),

7 “(II) the total expenditures
8 under the operation and the amount
9 and use of the proceeds from the op-
10 eration,

11 “(III) a description of the oper-
12 ation including the potential violation
13 being investigated and whether the
14 operation is being conducted under
15 grand jury auspices; except that such
16 a description shall not be required if
17 the Secretary determines that to pro-
18 vide such description would jeopardize
19 the operation or the life or safety of
20 participants in the operation, and

21 “(IV) the results of the operation
22 including the results of criminal pro-
23 ceedings.”

24 (2) AUDITS REQUIRED WITHOUT REGARD TO
25 AMOUNTS INVOLVED.—Subparagraph (C) of section

1 7608(c)(5) of such Code is amended to read as fol-
2 lows:

3 “(C) UNDERCOVER INVESTIGATIVE OPER-
4 ATION.—The term ‘undercover investigative op-
5 eration’ means any undercover investigative op-
6 eration of the Service; except that, for purposes
7 of subparagraph (A) of paragraph (4), such
8 term only includes an operation which is exempt
9 from section 3302 or 9102 of title 31, United
10 States Code.”

11 (3) EFFECTIVE DATE.—The amendments made
12 by this subsection shall take effect on the date of the
13 enactment of this Act.

14 **SEC. 4. REPORT BY ATTORNEY GENERAL.**

15 Not later than the day 90 days after the date of the
16 enactment of this Act, the Attorney General shall report
17 to the Congress on—

18 (1) the feasibility of additional Federal task
19 forces dealing with organized crime’s involvement in
20 diesel fuel tax evasion, and

21 (2) other steps that could be taken to reduce
22 criminal evasion of diesel fuel taxes.

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